



U.S. Department of
Transportation

Office of the Secretary
of Transportation

Memorandum

Subject: **ACTION:** DOT 2700.13C, Cash, Credit and
Debt Management

Date: May 2, 1996

Eileen Powell
From: Eileen T. Powell
Director of Financial Management

Reply to
Attn. of:

Thru: David K. Kleinberg *DKK*
Deputy Chief Financial Officer

To: Louise F. Stoll
Chief Financial Officer

Attached is Department of Transportation (DOT) Order 2700.13C, Cash, Credit and Debt Management. It effectively replaces six existing DOT Orders dealing with cash, credit and debt management, which duplicated existing central agency guidance, and results in a net reduction of 97 pages. The Order provides flexibility to the Operating Administrations (OAs) to implement central agency cash, credit and debt management policies and objectives in a manner which best fits their unique environments.

As part of the coordination process, we considered comments received from DOT operating elements. All resolutions to the comments were accepted by the affected OAs.

We recommend that you sign the Order at the tab on page 3. After signature, we will print and distribute the Order throughout the Department and incorporate it on our FM Bulletin Board. We hope that eventually the bulletin board will be the primary distribution method.

Please let me know if you have questions or concerns about the Order. .

Attachment



U.S. Department of
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ORDER

DOT 2700.13C

05-10-96

Subject: **CASH, CREDIT AND DEBT MANAGEMENT**

1. **PURPOSE.** This Order establishes and consolidates Department of Transportation (DOT) policy pertaining to cash, credit and debt management.
2. **BACKGROUND.** Over the years, various statutory and administrative authorities have established policies, standards, and procedures to ensure that Federal agencies implement effective cash, credit and debt management programs and activities. The objectives of these policies, standards, and procedures are to: improve the timing of payments; accelerate the deposit of receipts; eliminate idle cash balances; ensure the credit worthiness of borrowers to minimize loan defaults, and; maximize the collection of debts. The savings realized through meeting these objectives lessen the Government's borrowing requirements and the interest paid on the debt, thus saving taxpayers' money.
3. **SCOPE.** This Order applies to all operating elements of the Department. The policies, requirements, standards, and objectives contained in this Order apply directly to program and financial functions, such as, grants programs, direct and guaranteed loan programs, accounts receivable, and accounts payable.
4. **POLICY.** DOT organizations will conduct their cash, credit and debt management activities to effectively and efficiently improve the timing of payments; accelerate the deposit of receipts; eliminate idle cash balances; ensure the credit worthiness of borrowers to minimize loan defaults, and; maximize the collection of debts by complying with the Governmentwide policies, instructions and standards contained in the references of this Order (see References below).

As an integral part of the Department's policy, performance measures will be used as a means to quantify the extent of accomplishment of cash, credit and debt management objectives. Generally, performance measures will be established in areas that require measuring (e.g., timely payment of debts, and late interest penalties), or to place emphasis on specific problem areas. Performance measures may be selective, not necessarily recurring from year to year, and may be short lived (not lasting one year) depending upon departmental needs or the timely resolution of issues.

Currently approved waivers to regulations and specific provisions of central agency guidance remain in effect. They may be modified or withdrawn by the DOT Chief Financial Officer (Assistant Secretary for Budget and Programs) or the relevant central agency, e.g., Office of Management and Budget (OMB), Department of the

Treasury (Treasury), General Services Administration (GSA), Department of Justice (DOJ), and the General Accounting Office (GAO). Generally, Governmentwide requirements can only be waived or amended by the relevant designated central agency pursuant to legislative authority, whereas the DOT Chief Financial Officer's (CFO) Office of Financial Management can authorize waivers of internal DOT requirements. New requests for waivers will be considered, in those instances where the granting of waivers are authorized by the appropriate authority, when regulations and specific provisions of central agency guidance mandate activities, processes or procedures which are:

- not relevant to an office or organization, or conflict with other central agency guidance or enabling legislation;
- not effective in achieving the desired results; or
- inefficient in minimizing the cost of doing business.

5. RESPONSIBILITY.

- a. The DOT CFO and the CFOs in the Operating Administrations (OAs) are responsible for ensuring that the Government's cash, credit and debt management policies and objectives are achieved.
- b. The Office of Financial Management serves as the central coordination and liaison point for all departmental relationships with central agencies relative to cash, credit and debt management policies, procedures and standards.
- c. The Office of Financial Management may supplement the policy contained in this Order to achieve the Government's cash, credit and debt management objectives based on changing legislation and central agency requirements.
- d. The Office of Financial Management will formulate and issue performance measures for cash, credit and debt management activities.
- e. Departmental operating elements will justify their requests for waivers in writing, and route them through the Office of Financial Management which will review and forward them, if appropriate.
- f. Because cash, credit and debt management activities are integral to the effective and efficient functioning of program and financial activities, all DOT operating elements and their respective program and financial managers are responsible for developing and implementing internal procedures which:
 - (1) comply with the requirements contained in this Order and the applicable references, and
 - (2) achieve the Government's cash, credit and debt management objectives.

6. CANCELLATIONS. The following Orders are canceled:

- a. DOT 2700.13B, Cash Management, 5-28-85.**
- b. DOT 2700.14A, Credit Management and Debt Collection, 8-19-86.**
- c. DOT 2730.1E, Waiver of Claims for Erroneous Payments, 6-19-92.**
- d. DOT 2770.3B, Cash Advances Under Federal Grants and Other Programs, 3-13-79.**
- e. DOT 2770.7A, Imprest Fund Manual, 8-11-83.**
- f. DOT 2770.8B, Collection-Receipt and Control, 9-17-79.**

7. REFERENCES. The attachment to this Order references statutory and regulatory authority as enacted by Congress and implemented by the central agencies. The references assist program and financial managers to identify appropriate external policies in order to implement them.

Most of the references contained in this order are *available electronically*. The Treasury Financial Manual (TFM), some OMB Circulars and some GAO references are available on the Internet's *FinanceNet*. OMB has advised the Department that it is working on an ongoing project to make all circulars available electronically.

The TFM is also available on Treasury's **BULLETIN BOARD** which can be accessed by dialing **(202) 874-6817**. The Code of Federal Regulations (CFR) and the United States Code (U.S.C.) are available through the Internet, the Government Printing Office, the DOT libraries, and the **LEXIS/NEXIS** system.

The Office of Financial Management will alert operating elements to changes in central agency guidance and advise operating elements where source guidance can be acquired.

FOR THE SECRETARY OF TRANSPORTATION:

Louise Frankel Stoll
Louise Frankel Stoll
Assistant Secretary for
Budget and Programs

CASH, CREDIT AND DEBT MANAGEMENT

This chart provides a convenient matrix to match particular Cash, Credit and Debt Management subject areas to controlling legislation, regulations, and central agency requirements.

SUBJECT AREA	REFERENCES
1. Cash Management	A. 31 U.S.C. 3527, Disbursement, etc. Officers-Accounts-Physical Loss or Deficiency B. 41 U.S.C. 605-609, Contract Disputes Act of 1978, as amended C. 31 U.S.C. 3901-3907, Prompt Payment Act of 1982, as amended D. Public Law 101-453, Cash Management Improvement Act of 1990, as amended by Public Law 102-589, the Cash Management Improvement Act Amendments of 1992 E. 31 U.S.C. 3342, Government Management Reform Act of 1994, Section 402, Electronic Payments F. 5 U.S.C. 4110, Expenses of Attendance at Meetings G. 5 U.S.C. 5724a, Travel and Transportation Expenses of Employees Transferred, Advancement of Funds and Reimbursement on Commuted Basis H. 5 U.S.C. 5751, Travel Expenses of Witnesses I. 5 U.S.C. 5901, Uniform Allowances J. 7 U.S.C. 182(3), Meat Food Products K. 7 U.S.C. 499(4), Perishable Agricultural Commodity L. 31 U.S.C. 1348, Telephone Installation Charges M. 31 U.S.C. 3321, Disbursing Authority in the Executive Branch N. 31 U.S.C. 3322, Disbursing Officials O. 31 U.S.C. 3324, Advances P. 31 U.S.C. 3325, Vouchers Q. 31 U.S.C. 3342, Check Cashing and Exchange Transactions R. 31 U.S.C. 3527, General Authority to Relieve Accountable Officials and Agents from Liability S. 31 U.S.C. 3528, Responsibilities & Relief from Liabilities of Certifying Officials T. 31 U.S.C. 3529, Requests for Decisions of the Comptroller General

SUBJECT AREA

REFERENCES

1. Cash Management (cont.)

- U. 31 U.S.C. 3702, Authorization of Comptroller General to Settle Claims
- V. 31 U.S.C. 3726, Payment for Transportation
- W. 31 U.S.C. 3727, Assignment of Claims
- X. 41 U.S.C. 15, Transfer of Contracts; Assignment of Claims
- Y. 41 U.S.C. 611, Interest
- Z. 44 U.S.C. 3702, Advertisements not to be Published Without Written Authorization
- AA. 46 U.S.C. 1241, Transportation in American Vessels of Government Personnel & Certain Cargoes
- BB. 31 CFR Part 206, Management of Federal Agency Receipts and Disbursement, and Operation of Cash Management Improvements Fund
- CC. 41 CFR 101-40.710, Processing Claims Against Carriers
- DD. 41 CFR 101-41.203.2, Use of Cash
- EE. 41 CFR 101-41.302-3, Terms & Conditions Governing Acceptance & Use of Government Bills of Lading (GBL)
- FF. 41 CFR 101-41.401, Payment of Transportation Bills
- GG. 41 CFR 101-41.603-2, Form of Claims
- HH. 49 CFR Part 1, DOT Organization and Delegation of Powers and Duties, Subpart C, Delegations
- II. 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments
- JJ. 49 CFR, Part 90, Audits of State and Local Governments
- KK. OMB Circular A-102, Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments
- LL. OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations
- MM. OMB Circular A-125, Prompt Payment Act
- NN. Treasury Financial Manual, Volume 1, Part 2, Chapter 2500

SUBJECT AREA	REFERENCES
1. Cash Management (cont.)	OO. Treasury Financial Manual, Volume 1, Part 3, Chapter 4000 PP. Treasury Financial Manual, Volume 1, Part 4 QQ. Treasury Financial Manual, Volume 1, Part 6, Chapters 2000, 5000, 6000, 8000, 9000 RR. Treasury Department Circular No. 1075 (Fourth Revision), Withdrawal of Cash from the Treasury for Advances Under Federal Grant and Other Programs (also published in 31 CFR, Part 205) SS. Manual of Procedures and Instructions for Cashiers (supplement to TFM) TT. GAO Policy and Procedures Manual for Guidance of Federal Agencies, Title 7, Chapters 6-8 UU. GAO Principles of Federal Appropriations Law, Volume II, Chapter 9 (Liability and Policy and Relief of Accountable Officers) VV. GAO Principles of Federal Appropriations Law, Volume II, Chapter 10 (Federal Assistance: Grants and Cooperative Agreements)
2. Credit Management	A. 15 U.S.C. 1681-1681+, Fair Credit Reporting Act B. 2 U.S.C. 661-661+, Federal Credit Reform Act of 1990 C. 49 CFR Part 1, DOT Organization and Delegation of Powers and Duties, Subpart C, Delegations D. OMB Circular A-50, Audit Followup E. OMB Circular A-70, Federal Credit Policy F. OMB Circular A-129, Policies for Federal Credit Programs and Non-tax Receivables G. Department of the Treasury, Financial Management Service, Asset Management Manual, Volume I, Managing Federal Receivables
3. Debt Management	A. 28 U.S.C. 2415-2416, Statute of Limitations on Claims B. 31 U.S.C. 3701-3718, Federal Claims Collection Act C. 15 U.S.C. 1681-1681+, Fair Credit Reporting Act of 1970 D. Public Law 97-365, The Debt Collection Act of 1982, as amended

SUBJECT AREA	REFERENCES
3. Debt Management (cont.)	<p>E. 31 U.S.C. 3302-3720, Deficit Reduction of 1984, Section 2652</p> <p>F. 28 U.S.C. 3001-3008, Debt Collection Procedures Act of 1990</p> <p>G. 5 U.S.C. 5584, Claims for Overpayment of Pay and Allowances, and of Travel, Transportation and Relocation Expenses and Allowances</p> <p>H. 10 U.S.C. 2774, Claims for Overpayment of Pay and Allowances, and Travel and Transportation Allowances</p> <p>I. 26 U.S.C. 6103(m)(2), Disclosure of Taxpayer Information; Federal Claims</p> <p>J. 28 U.S.C. Chapter 176, Federal Debt Collection Procedure</p> <p>K. 31 U.S.C. 1322(b), Payments of Unclaimed Money and Refund of Amounts Erroneously Deposited</p> <p>L. 31 U.S.C. 1552(a), Procedure for Appropriation Accounts Available for Definite Periods</p> <p>M. 31 U.S.C. 1555 Withdrawal of Unobligated Balances of Appropriations 31U.S.C. 3302(b), Custodian of Money</p> <p>N. 31 U.S.C. 3342, Check Cashing and Exchange Transactions</p> <p>O. 31 U.S.C. 3612(i), Bribe Money</p> <p>P. 31 U.S.C. 3716, Administrative Offset</p> <p>Q. 31 U.S.C. 3718(b), Contracts for Collection Services</p> <p>R. 31 U.S.C. 9701, Fees and Charges for Government Services</p> <p>S. 40 U.S.C. 481(c), Exchange or Sale of Similar Items and Things of Value</p> <p>T. 4 CFR Chapter I, Subchapter G, Standards for Waiver of Claims for Erroneous Payment of Pay and Allowances</p> <p>U. 4 CFR Chapter II, Federal Claims Collection Standards</p> <p>V. 4 CFR 101-105, Federal Claims Collection Standards</p> <p>W. 5 CFR 550, Subpart C, Allotments and Assignments from Federal Employees</p> <p>X. 5 CFR 550, Subpart K, Collection by Offset from Indebted Government Employees</p> <p>Y. 5 CFR 831, Subpart R, Agency Request to OPM for Recovery of a Debt from the Civil Service Retirement and Disability Fund</p> <p>Z. 14 CFR 316, Collection of Claims Owed to the United States</p>

SUBJECT AREA	REFERENCES
3. Debt Management (cont.)	<p>AA. 31 CFR Part 206, Management of Federal Agency Receipts and Disbursement, and Operation of Cash Management Improvements Fund</p> <p>BB. 49 CFR Part 1, DOT Organization and Delegation of Powers and Duties, Subpart C, Delegations</p> <p>CC. 49 CFR Part 10, Maintenance of and Access to Records Pertaining to Individuals</p> <p>DD. 49 CFR Part 31, Program Fraud Civil Remedies</p> <p>EE. 49 CFR Part 89, Implementation of the Federal Claims Collection Act</p> <p>FF. 49 CFR Part 90, Audits of State and Local Governments</p> <p>GG. 49 CFR Part 92, Recovering Debts to the United States by Salary Offset</p> <p>HH. OMB Circular A-21, User Fees</p> <p>II. OMB Circular A-50, Audit Follow-up</p> <p>JJ. OMB Circular A-129, Policies for Federal Credit Programs and Non-tax Receivables</p> <p>KK. Treasury Financial Manual, Volume I, Part 4, Chapter 9000</p> <p>LL. Treasury Financial Manual, Volume I, Part 5</p> <p>MM. Treasury Financial Manual, Volume I, Part 6, Chapters 3000, 5000, 8000 and 10,000</p> <p>NN. Department of the Treasury, Financial Management Service, Asset Management Manual, Volume I, Managing Federal Receivables</p> <p>OO. GAO Principles of Federal Appropriations Law, Volume III, Chapter 13 (Debt Collection)</p> <p>PP. GAO Policy and Procedures Manual for Guidance of Federal Agencies, Title 4</p> <p>QQ. GAO Policy and Procedures Manual for Guidance of Federal Agencies, Title 7, Chapters 5 and 8</p>